VZCZCXRO0395 PP RUEHMR DE RUEHKI #0447 0750621 ZNY CCCCC ZZH P 160621Z MAR 06 FM AMEMBASSY KINSHASA TO RUEHC/SECSTATE WASHDC PRIORITY 3445 INFO RUEHXR/RWANDA COLLECTIVE RUCNSAD/SOUTHERN AFRICAN DEVELOPMENT COMMUNITY RUEAIIA/CIA WASHDC RHEFDIA/DIA WASHDC RHMFISS/HQ USEUCOM VAIHINGEN GE RUFOADA/JAC MOLESWORTH RAF MOLESWORTH UK

C O N F I D E N T I A L KINSHASA 000447

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E.O. 12958: DECL: 03/15/2016

TAGS: <u>PGOV PREL ETRD EMIN ECON CG CH</u>
SUBJECT: CHINESE ECONOMIC OUTREACH IN THE KASAIS

REF: A. 05 KINSHASA 1614 **1B.** 05 KINSHASA 1067

Classified By: PolOff CBrown, reasons 1.4 b/d.

- 11. (C) During a February 21-24 visit to Western and Eastern Kasai by EconOff and PolOff, the Chinese ambassador to the DRC, Fan Zhenshui, also visited the region. According to MONUC and other sources in the provinces, the Chinese ambassador met with a variety of local business and political leaders, and used the occasion to promote greater economic cooperation between China and the DRC.
- ¶2. (C) Ambassador Fan began his visit in Mbuji-Mayi (Eastern Kasai) February 21. The provincial capital currently has a Chinese presence, mostly in the medical industry. Chinese businessmen and the Chinese government run several pharmacies, polyclinics and health centers throughout the city. Often the medical clinics are the only form of health care in Mbuji-Mayi. Also, a Chinese engineering contingent is presently housed directly across from the governor's residence. This group assists in rebuilding roads in Mbuji-Mayi and throughout the province. By all accounts, the Chinese have been warmly received in the city, as evidenced by the banners hung at the airport and elsewhere welcoming the ambassador's arrival.
- 13. (C) The official reason for the ambassador's visit to Mbuji-Mayi was to launch Congo China Telecom (CCT), a local subsidiary of a Chinese telecommunications firm. During his visit to CCT, Ambassador Fan reportedly said increased commercial exchanges with China will contribute to economic growth in the DRC. The ambassador also demonstrated increased Chinese interest in the diamond industry, which is the dominant sector in the Kasais (septel). The ambassador toured MIBA's concession, the "polygon," and, according to MONUC, several diamond comptoirs (trading houses). The Chinese do not currently have a large investment in this sector.
- 14. (C) Ambassador Fan next traveled March 24 to Kananga (Western Kasai). Again, the ambassador met with local officials, military officers as well as intelligence and migration officials. According to MONUC sources, the Chinese delegation highlighted the potential for trade and other projects between China and the DRC, particularly road-building and energy.
- 15. (C) The Chinese touted their famously strong textile industry, which is taking over the Congolese fabric business. According to a MONUC official, during a February 24 meeting with MONUC officials and local authorities, the ambassador said (reportedly in a joking manner) that the U.S. should fear the Chinese textile industry more than China's atomic bomb. The ambassador said Chinese fabrics are his country's

"weapons of mass economic destruction." Ambassador Fan added that China's next secret weapon would be Chinese-manufactured cars.

16. (C) Comment: A four-day visit by Ambassador Fan is itself an unusual event, as he does not regularly travel outside Kinshasa. Therefore, his trip should be noted as a sign of China's growing economic interest in the DRC, particularly in the diamond sector. Whatever the extent of any future partnerships between the two countries, it is clear both sides are amenable to building stronger ties. End Comment.